

CHRISTIAN SAINTS' ASSEMBLY LIMITED

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020



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TYRONE CHIU C.P.A. LIMITED

Certified Public Accountants

趙維漢會計師事務所有限公司

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(EXPRESSED IN HONG KONG DOLLAR)

CHRISTIAN SAINTS' ASSEMBLY LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors have pleasure in submitting their annual report together with the audited financial statements for the year ended 31 December 2020.

PRINCIPAL ACTIVITY

The principal activity of the Charity was to spread the teaching of gospel. There was no significant change in the nature of the Charity's principal activity during the year.

RESULTS

The results of the Charity for the year ended 31 December 2020 and the state of the Charity's affairs at that date are set out in the financial statements on pages 7 to 32.

CHARITABLE CONTRIBUTIONS

During the year, the Charity made charitable contributions totaling HK\$232,615 (2019: HK\$218,992).

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the Charity's property, plant and equipment are set out in note 10 to the financial statements.

DIRECTORS

The directors who held office during the year and up to date of this report were:

Chan Kun Yau	
Chin Wai Leung	
Law Siu Chung Paul	
Woo Wing Yin	
Choy Wai Kin	(Appointed on 1 January 2021)
Chu Kam Sheung	(Appointed on 1 January 2021)
So Yuen Wa	(Appointed on 1 January 2021)
Lee Hon Ching	(Resigned on 1 January 2021)
Ng Ka Ming	(Resigned on 1 January 2021)
Soo Kwan Hong	(Resigned on 1 January 2021)
Yu Chun Lit	(Resigned on 1 January 2021)

In accordance with the Articles of Charity, all directors shall be two years, retire and, being eligible, offer themselves for re-election.

.../ To be continued

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CHRISTIAN SAINTS' ASSEMBLY LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2020

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENT AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE CHARITY'S BUSINESS

There were no other contracts of significance in relation to the business of the Charity to which the Charity was a party, and in which a director of the Charity had a material interest, whether directly or indirectly, subsisted at the end of the year, or at any time during the year.

BUSINESS REVIEW

The Charity falls within reporting exemption for the year. Accordingly, the Charity is exempted from preparing a business review.

PERMITTED INDEMNITY PROVISION

At no time during the year and up to the date of this report was or is there any permitted indemnity provision being in force for the benefit of any of the directors of the Charity (whether made by the Charity or otherwise) or an associated company (if made by the Charity).

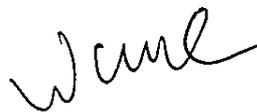
MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Charity were entered into or existed during the year.

AUDITORS

Tyrone Chiu C.P.A. Limited are the Charity's retiring auditors, who being eligible, offer themselves for re-appointment.

FOR AND ON BEHALF OF THE BOARD



CHOY WAI KIN
CHAIRMAN

x

Hong Kong
16 August 2021



TYRONE CHIU C.P.A. LIMITED

Certified Public Accountants

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6/F., Hang Seng North Point Building, 341 King's Road, North Point, Hong Kong.

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CHRISTIAN SAINTS' ASSEMBLY LIMITED

(Incorporated in Hong Kong with limited liability)

OPINION

We have audited the financial statements of Christian Saints' Assembly Limited (the "Charity") set out on pages 7 to 32, which comprise the statement of financial position as at 31 December 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Charity as at 31 December 2020, and of its financial performance and cash flows for the year then ended in accordance with applicable Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Charity in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates that, as of date of financial reporting date at 31 December 2020, the Company's current liabilities exceeded its current assets by HK\$4,042,931. This condition, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the report of the directors, other than the financial statements and our auditor's report thereon.

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CHRISTIAN SAINTS' ASSEMBLY LIMITED

(Incorporated in Hong Kong with limited liability)

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON (CONTINUED)

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTOR AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Charity's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CHRISTIAN SAINTS' ASSEMBLY LIMITED

(Incorporated in Hong Kong with limited liability)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

... / To be continued



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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CHRISTIAN SAINTS' ASSEMBLY LIMITED

(Incorporated in Hong Kong with limited liability)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Tyrone Chiu C.P.A. Limited
Certified Public Accountants
Chiu Wai Hon, Tyrone
Practising Certificate Number: P00847

Hong Kong
16 August 2021

CHRISTIAN SAINTS' ASSEMBLY LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	<i>Notes</i>	2020 <i>HK\$</i>	2019 <i>HK\$</i>
INCOME			
General offerings	5	5,234,336	5,900,428
Donation on development fund	5	29,400	113,850
Property donation received	5	960,975	1,302,194
Other donation received	5	454,439	399,520
Bank interest income	6	40,965	44,651
Sundry income	6	502,738	31,593
		<u>7,222,853</u>	<u>7,792,236</u>
LESS: ADMINISTRATIVE EXPENSES			
Audit fee		11,000	10,850
Bank charges		9,904	8,585
Book and magazines		2,058	10,337
Building management fee		244,736	274,280
Camps and special meetings		26,085	297,489
Cleaning		30,438	33,043
Depreciation on property, plant and equipment		1,081,432	1,142,762
Depreciation on right of use asset		552,392	589,576
Donation		232,615	218,992
Printing and stationery		24,213	32,630
Rent and rate		80,857	--
Repairs and maintenance		14,070	16,162
Honorarium		19,800	44,230
Salaries and allowance	8	2,991,584	3,190,865
Subsidies to co-workers, missionaries and students		1,026,857	995,825
Sundries		126,958	158,520
Utilities		40,602	90,607
		<u>6,515,601</u>	<u>7,114,753</u>
LESS: FINANCE EXPENSES			
Interest on lease liability		15,340	15,316
Interest expense		197,278	218,089
		<u>212,618</u>	<u>233,405</u>
SURPLUS AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR			
	7	<u><u>494,634</u></u>	<u><u>444,078</u></u>

The notes on pages 11 to 32 form part of these financial statements.

CHRISTIAN SAINTS' ASSEMBLY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	General fund HK\$	Development fund HK\$	Astor, Chu and Chee fund HK\$	Total HK\$
Balance at 1 January 2019	21,889,386	3,060,219	183,827	25,133,432
Adjustments upon application of HKFRS 16	(57,271)	--	--	(57,271)
Surplus and total comprehensive income for the year	444,078	--	--	444,078
Transfers	<u>(430,050)</u>	<u>422,250</u>	<u>7,800</u>	<u>--</u>
Balance at 31 December 2019	21,846,143	3,482,469	191,627	25,520,239
Surplus and total comprehensive income for the year	494,634	--	--	494,634
Transfers	<u>(32,500)</u>	<u>29,600</u>	<u>2,900</u>	<u>--</u>
Balance at 31 December 2020	<u>22,308,277</u>	<u>3,512,069</u>	<u>194,527</u>	<u>26,014,873</u>

The notes on pages 11 to 32 form part of these financial statements.

CHRISTIAN SAINTS' ASSEMBLY LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

		2020	2019
	<i>Notes</i>	<i>HK\$</i>	<i>HK\$</i>
Non-current assets			
Property, plant and equipment	10	29,543,917	30,605,253
Right of use asset	11	<u>744,927</u>	<u>245,657</u>
		<u>30,288,844</u>	<u>30,850,910</u>
Current assets			
Deposits		213,284	213,284
Prepayments		106,971	79,168
Other receivables		56,902	133,484
Temporary payment		--	58,155
Cash and cash equivalents	12	<u>4,288,729</u>	<u>3,681,145</u>
		<u>4,665,886</u>	<u>4,165,236</u>
Current liabilities			
Accruals and other payable		174,323	756,895
Temporary receipts		22,300	7,000
Bank loan		7,982,412	8,466,192
Lease liability		<u>529,782</u>	<u>265,820</u>
		<u>8,708,817</u>	<u>9,495,907</u>
Net current liabilities		<u>(4,042,931)</u>	<u>(5,330,671)</u>
Non-current liabilities			
Lease liability		<u>231,040</u>	--
Net assets		<u>26,014,873</u>	<u>25,520,239</u>
Reserves			
General fund	14	22,308,277	21,846,143
Development fund	15	3,512,069	3,482,469
Astor, Chu and Chee fund	16	<u>194,527</u>	<u>191,627</u>
		<u>26,014,873</u>	<u>25,520,239</u>

Approved and authorised for issue by Directors on behalf of the Board on 16 August 2021.



CHOY WAI KIN
DIRECTOR

x



WOO WING KIN
DIRECTOR

x

The notes on pages 11 to 32 form part of these financial statements.

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CHRISTIAN SAINTS' ASSEMBLY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	<i>Note</i>	2020 <i>HK\$</i>	2019 <i>HK\$</i>
Surplus for the year		494,634	444,078
Adjustments for:			
Depreciation for property, plant and equipment	7	1,081,432	1,142,762
Depreciation for right of use asset	7	552,392	589,576
Interest for lease liability		15,340	15,316
Interest income	7	<u>(40,965)</u>	<u>(44,651)</u>
Operating surplus before changes in working capital		2,102,833	2,147,081
(Increase)/decrease in prepayments		(27,802)	45,462
Decrease/(increase) in other receivables		76,582	(31,679)
Decrease/(increase) in temporary payment		58,155	(22,005)
Decrease in accruals and other payable		(582,573)	(2,125,679)
Increase/(decrease) in temporary receipts		<u>15,300</u>	<u>(7,600)</u>
Net cash generated from operating activities		<u>1,642,495</u>	<u>5,580</u>
Cash flows from investing activities			
Interest received		40,965	44,651
Purchase of property, plant and equipment		(20,096)	(68,869)
Decrease in time deposit with maturity date over 3 months		<u>--</u>	<u>1,506,850</u>
Net cash generated from investing activities		<u>20,869</u>	<u>1,482,632</u>
Cash flows from financing activities			
Repayment of bank loan		(483,780)	(483,780)
Payments for right-of-use asset		(572,000)	(642,000)
Net cash used in financing activities		<u>(1,055,780)</u>	<u>(1,125,780)</u>
Increase in cash and cash equivalents		607,584	362,432
Cash and cash equivalents at beginning of year		<u>3,681,145</u>	<u>3,318,713</u>
Cash and cash equivalents at end of year		<u>4,288,729</u>	<u>3,681,145</u>
Analysis of cash and cash equivalents			
Cash and bank on hand		1,690,686	1,123,610
Time deposit		<u>2,598,043</u>	<u>2,557,535</u>
Balance stated on the statement of financial position		4,288,729	3,681,145
Less: Time deposit with maturity date over 3 months		<u>--</u>	<u>--</u>
Balance stated on the statement of cash flows		<u>4,288,729</u>	<u>3,681,145</u>

The notes on pages 11 to 32 form part of these financial statements.

CHRISTIAN SAINTS' ASSEMBLY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1. GENERAL INFORMATION

Christian Saints Assembly Limited (“the Charity”) is incorporated under the laws of Hong Kong on March 10, 1989 and its liabilities were limited by guarantee. The Charity has also registered as a charitable institution under section 88 of the Inland Revenue Ordinance.

The Charity’s registered office is located at No. 5-9, 2/F., Tak Sun Building, 442-448 Ma Tau Wai Road, Kowloon, Hong Kong. The principal activity of the Charity was to spread the teaching of gospel.

2. STATEMENT OF COMPLIANCE WITH AND APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS

Statement of compliance

The financial statements have been prepared in accordance with all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations (hereinafter collectively referred to as the “HKFRSs”) and the provisions of the Hong Kong Companies Ordinance which concern the preparation of financial statements.

Application of new and amendments to HKFRSs

The Charity has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time in the current year:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 7	Interest Rate Benchmark Reform
HKAS 39 and HKFRS 9	

The application of the new and amendments to HKFRSs in the current year has had no material impact on the Charity’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these financial statements.

New and amendments to HKFRSs in issue but not yet effective

The Charity has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts and the related Amendments ¹
Amendments to HKFRS 3	Reference to the Conceptual Framework ²
Amendments to HKFRS 16	COVID-19-Related Rent Concessions ⁴
Amendments to HKFRS 16	COVID-19-Related Rent Concessions Beyond 30 June 2021 ⁵
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2 ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ¹
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use ²
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract ²
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020 Cycle ²

CHRISTIAN SAINTS' ASSEMBLY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

2. STATEMENT OF COMPLIANCE WITH AND APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

- ¹ Effective for annual periods beginning on or after 1 January 2023.
² Effective for annual periods beginning on or after 1 January 2022.
³ Effective for annual periods beginning on or after 1 January 2021.
⁴ Effective for annual periods beginning on or after 1 June 2020.
⁵ Effective for annual periods beginning on or after 1 April 2021.

The Charity anticipates that the application of all new and amendments to HKFRSs will have no material impact on the financial statements in the foreseeable future. identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application, the Charity assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception or modification date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of the financial statements

The measurement basis used in preparing the financial statements is historical convention.

Property, plant and equipment

Property, plant and equipment are stated in the statement of financial position at cost less accumulated depreciation and accumulated impairment loss, if any.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, on a straight-line basis over their estimated useful lives as follows:

Leasehold land and building	50 years or the unexpired term of lease, if any and shorter
Leasehold improvement	5 years
Furniture and fixtures	4 years

The residual value and the useful life of an asset are reviewed at least at each financial year-end.

The Charity assesses at each reporting date whether there is any indication that any items of property, plant and equipment may be impaired and that an impairment loss recognised in prior periods for an item may have decreased. If any such indication exists, the Charity estimates the recoverable amount of the item. An impairment loss, being the amount by which the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount or a reversal of impairment loss is recognised immediately in profit or loss.

CHRISTIAN SAINTS' ASSEMBLY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Gain or loss arising from the de-recognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised and is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Cash and cash equivalents

Cash comprises cash on hand and at bank and demand deposits with bank. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of statement of cash flows, bank overdrafts which are repayable on demand form an integral part of the Charity's cash management are included as a component of cash and cash equivalents

Impairment of assets (other than financial assets)

At the end of the reporting period, the Charity reviews the carrying amounts of property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the impairment loss is treated as a revaluation decrease under that HKFRS.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the reversal of the impairment loss is treated as a revaluation increase under that HKFRS.

Value in use is based on the estimated future cash flows expected to be derived from the asset or cash generating unit, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

CHRISTIAN SAINTS' ASSEMBLY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application or arising from business combinations, the Charity assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Charity as a lessee

All leases are required to be capitalised in the statement of financial position as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Charity has elected not to recognise right-of-use assets and lease liabilities for low-value assets and leases for which at the commencement date have a lease term of less than 12 months. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

Right-of-use asset

The right-of-use asset is initially recognised at cost and would comprise:

- (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability);
- (ii) any lease payments made at or before the commencement date, less any lease incentives received;
- (iii) any initial direct costs incurred by the lessee; and
- (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Except for right-of-use asset that meets the definition of an investment property or a class of property, plant and equipment to which the Charity applies the revaluation model, the Charity measures the right-of-use assets applying a cost model. Under the cost model, the Charity measures the right-to-use at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability. For right-of-use asset that meets the definition of an investment property, they are carried at fair value and for right-of-use asset that meets the definition of a leasehold land and buildings held for own use, they are carried at revalued amount. The Charity accounts for leasehold land and buildings that are held for rental or capital appreciation purpose under HKAS 40 and are carried at fair value.

CHRISTIAN SAINTS' ASSEMBLY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

The Charity accounts for leasehold land and buildings which is held for own use under HKAS 16 and are carried at revalued amount. Other than the above right-of-use assets, the Charity also has leased a number of properties under tenancy agreements which the Charity exercises its judgement and determines that it is a separate class of asset apart from the leasehold land and buildings which is held for own use. As a result, the right-of-use asset arising from the properties under tenancy agreements are carried at depreciated cost.

Lease liability

The lease liability is recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Charity uses the lessee's incremental borrowing rate.

The following payments for the right-to-use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments:

- (i) fixed lease payments less any lease incentives receivable;
- (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date;
- (iii) amounts expected to be payable by the lessee under residual value guarantees;
- (iv) exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
- (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to the commencement date, the Charity measures the lease liability by:

- (i) increasing the carrying amount to reflect interest on the lease liability;
- (ii) reducing the carrying amount to reflect the lease payments made; and
- (iii) remeasuring the carrying amount to reflect any reassessment or lease modification, or to reflect revised in-substance fixed lease payments.

When the Charity revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases, an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in profit or loss.

CHRISTIAN SAINTS' ASSEMBLY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

Lease liability (continued)

When the Charity renegotiates the contractual terms of a lease with the lessor, if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease, in all other cases, where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount. With the exception to which the practical expedient for Covid-19-Related Rent Concessions applies, if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date and the right-of-use asset is adjusted by the same amount.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

CHRISTIAN SAINTS' ASSEMBLY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Charity may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 Business Combinations applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Charity manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Charity may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

The Charity's financial assets at amortised cost include other receivables as well as cash and cash equivalents.

CHRISTIAN SAINTS' ASSEMBLY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss is included in the "other income, gains and losses, net" line item.

Impairment of financial assets

The Charity performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade receivables, deposits and other receivables and bank balances) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Charity's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Charity always recognises lifetime ECL for trade receivables.

For all other instruments, the Charity measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Charity recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Charity compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Charity considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

CHRISTIAN SAINTS' ASSEMBLY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Charity presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Charity has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Charity assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. All financial assets, except for trade and other receivables, are determined to have low credit risk.

The Charity regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Charity considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Charity, in full (without taking into account any collaterals held by the Charity).

Irrespective of the above, the Charity considers that default has occurred when a financial asset is more than 90 days past due unless the Charity has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

CHRISTIAN SAINTS' ASSEMBLY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganization

(iv) Write-off policy

The Charity writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Charity's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Charity in accordance with the contract and the cash flows that the Charity expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for certain trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Charity takes into consideration the following characteristics when formulating the grouping:

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available

CHRISTIAN SAINTS' ASSEMBLY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (continued)

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Charity recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and other receivables where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Charity derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Charity are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at amortised cost

The Charity's financial liabilities including trade and other payables as well as accruals are subsequently measured at amortised cost, using the effective interest method

CHRISTIAN SAINTS' ASSEMBLY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities and equity (continued)

Derecognition of financial liabilities

The Charity derecognises financial liabilities when, and only when, the Charity's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and recognised in profit or loss.

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the statement of financial position when, and only when, the Charity currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Employee benefits

(a) Short-term employee benefits

Salaries and bonuses are accrued in the period in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present value.

(b) Pension obligation

The Charity contributes to defined contribution retirement scheme (Mandatory Provident Fund) organised and administered by the governmental authorities in Hong Kong, the assets of which are held in separate trustee-administered funds. The Charity's contributions to the schemes are based on a fixed percentage of the employees' relevant income per month and expensed as incurred. The Charity has no legal or constructive obligation to pay further contributions if the funds do not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Charity's contributions to the defined contribution retirement schemes are reduced by contributions forfeited by those employees who leave the schemes prior to vesting fully in the contributions.

The Charity's management makes assumptions, estimates and judgements in the process of applying the Charity's accounting policies that affect the assets, liabilities, income and expenses in the financial statements prepared in accordance with HKFRSs. The assumptions, estimates and judgements are based on historical experience and other factors that are believed to be reasonable under the circumstances. While the management reviews their judgements, estimates and assumptions continuously, the actual results will seldom equal to the estimates.

CHRISTIAN SAINTS' ASSEMBLY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out as follows:

Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, after taking into account the estimated residual value. The Charity assesses annually the residual value and the useful life of the property, plant and equipment and if the expectation differs from the original estimates, such differences from the original estimates will impact the depreciation charges in the year in which the estimates change

Impairment of financial assets

The Charity maintains an allowance for estimated loss arising from the inability of its customers to make the required payments. The Charity makes its estimates based on the ageing of its trade receivables balances, customers' creditworthiness, and historical write-off experience. If the financial condition of its customers was to deteriorate so that the actual impairment loss might be higher than expected, the Charity would be required to revise the basis of making the allowance.

Impairment of property, plant and equipment

Items of property, plant and equipment are tested for impairment if there is any indication that the carrying value of these assets may not be recoverable and the assets are subject to an impairment loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The value-in-use calculation requires the Charity to estimate the future cash flows expected to arise from the relevant cash-generating unit and a suitable discount rate is used in order to calculate the present value.

The Charity's management makes assumptions, estimates and judgments in the process of applying the account's accounting policies that affect the assets, liabilities, income and expenses in the financial statements prepared in accordance with HKFRSs. The assumptions, estimates and judgments are based on historical experience and other factors that are believed to be reasonable under the circumstances. While the management reviews their judgments, estimates and assumptions continuously, the actual results will seldom equal to the estimates.

CHRISTIAN SAINTS' ASSEMBLY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT

The Charity's management makes assumptions, estimates and judgments in the process of applying the account's accounting policies that affect the assets, liabilities, income and expenses in the financial statements prepared in accordance with HKFRSs. The assumptions, estimates and judgments are based on historical experience and other factors that are believed to be reasonable under the circumstances. While the management reviews their judgments, estimates and assumptions continuously, the actual results will seldom equal to the estimates.

Key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out as follows:

Depreciation of property, plant and equipment

Property, plant and equipment are depreciation on a straight-line basis over their estimated useful lives, after taking into account the estimated residual value. The Charity assesses annually the residual value and the useful life of the property, plant and equipment and if the expectation differs from the original estimates, such differences from the original estimates will impact the depreciation charges in the year in which the estimates change.

Impairment of property, plant and equipment

Items of property, plant and equipment are tested for impairment if there is any indication that the carrying value of these assets may not be recoverable and the assets are subject to an impairment loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The value-in-use calculation requires the Charity to estimate the future cash flows expected to arise from the relevant cash-generating unit and a suitable discount rate is used in order to calculate the present value.

CHRISTIAN SAINTS' ASSEMBLY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

5. TURNOVER

Turnover represents donations received during the year.

	2020	2019
	<i>HK\$</i>	<i>HK\$</i>
General offerings	5,234,336	5,900,428
Donation on development fund	29,400	113,850
Property donation received	960,975	1,302,194
Other donations received	<u>454,439</u>	<u>399,520</u>
	<u>6,679,150</u>	<u>7,715,992</u>

6. OTHER INCOME

	2020	2019
	<i>HK\$</i>	<i>HK\$</i>
Bank interest income	40,965	44,651
Sundry income	<u>502,738</u>	<u>31,593</u>
	<u>543,703</u>	<u>76,244</u>

CHRISTIAN SAINTS' ASSEMBLY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

7. SURPLUS AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR

	2020 <i>HK\$</i>	2019 <i>HK\$</i>
Surplus and total comprehensive income for the year is stated at after charging:		
Auditors' remuneration	11,000	10,850
Depreciation for property, plant and equipment	1,081,432	1,142,762
Depreciation for right of use asset	<u>552,392</u>	<u>589,576</u>
and crediting:		
Bank interest income	<u>40,965</u>	<u>44,651</u>

8. STAFF COSTS AND DIRECTORS' REMUNERATION

	2020 <i>HK\$</i>	2019 <i>HK\$</i>
Salaries and allowances (including staff and directors)	2,851,861	3,043,946
Provident fund contributions (including staff and directors)	<u>139,723</u>	<u>146,919</u>
	<u>2,991,584</u>	<u>3,190,865</u>

DIRECTORS' REMUNERATION

Details of directors' remuneration disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance (Cap. 622) are as follows:

	2020 <i>HK\$</i>	2019 <i>HK\$</i>
Fees	--	--
Other emoluments	<u>563,260</u>	<u>528,460</u>
	<u>563,260</u>	<u>528,460</u>

None of the directors received any remuneration in respect of their services, as a position of director, rendered for the year. Two of the directors received salaries of HK\$563,260 (2019: HK\$528,460) for the services provided under the position of Pastor.

CHRISTIAN SAINTS' ASSEMBLY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

9. INCOME TAX EXPENSE

The Charity has been granted exemption from taxation under Section 88 of the Inland Revenue Ordinance (2019: Nil).

10. PROPERTY, PLANT AND EQUIPMENT

	Land and Building HK\$	Leasehold Improvement HK\$	Furniture & Fixtures HK\$	Total HK\$
Cost				
At 1 January 2019	35,651,262	3,127,851	1,201,932	39,981,045
Additions	--	42,767	26,102	68,869
At 31 December 2019	<u>35,651,262</u>	<u>3,170,618</u>	<u>1,228,034</u>	<u>40,049,914</u>

Aggregate Depreciation

At 1 January 2019	5,060,079	2,142,407	1,099,413	8,301,899
Charge for the year	715,270	357,102	70,390	1,142,762
At 31 December 2019	<u>5,775,349</u>	<u>2,499,509</u>	<u>1,169,803</u>	<u>9,444,661</u>

Net book value

At 31 December 2019	<u>29,875,913</u>	<u>671,109</u>	<u>58,231</u>	<u>30,605,253</u>
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	Land and Building HK\$	Leasehold Improvement HK\$	Furniture & Fixtures HK\$	Total HK\$
Cost				
At 1 January 2020	35,651,262	3,170,618	1,228,034	40,049,914
Additions	--	--	20,096	20,096
At 31 December 2020	<u>35,651,262</u>	<u>3,170,618</u>	<u>1,248,130</u>	<u>40,070,010</u>

Aggregate Depreciation

At 1 January 2020	5,775,349	2,499,509	1,169,803	9,444,661
Charge for the year	715,270	322,655	43,507	1,081,432
At 31 December 2020	<u>6,490,619</u>	<u>2,822,164</u>	<u>1,213,310</u>	<u>10,526,093</u>

Net book value

At 31 December 2020	<u>29,160,643</u>	<u>348,454</u>	<u>34,820</u>	<u>29,543,917</u>
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The Charity's land and building were held under long-term lease in Hong Kong and were partially pledged to a bank to secure against banking facilities granted with a net book value of HK\$24,296,329 (2019: \$24,824,510) held by the company.

CHRISTIAN SAINTS' ASSEMBLY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

11. RIGHT-OF-USE ASSET

	Leased property <i>HK\$</i>
Cost:	
At 1 January 2020	835,233
Addition	1,051,662
At 31 December 2020	1,886,895
Aggregate depreciation:	
At 1 January 2020	589,576
Charge for the year	552,392
At 31 December 2020	1,141,968
Net carrying amount:	
At 31 December 2020	744,927
At 31 December 2019	245,657

12. CASH AND CASH EQUIVALENTS

	2020 <i>HK\$</i>	2019 <i>HK\$</i>
Cash at bank and on hand	4,288,729	3,681,145
Cash and cash equivalents in the statement of financial position	4,288,729	3,681,145
Time deposits with maturity date over 3 months	--	--
Cash and cash equivalents in statement of cash flows	4,288,729	3,681,145

CHRISTIAN SAINTS' ASSEMBLY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

13. BANK LOAN

The Company's banking facilities were secured by legal charges on leasehold land and building to the company.

The agreement with respect to the bank loan contains demand clauses whereby the bank can demand repayment of the entire amount at any time. Accordingly, the bank loan was classified as current liabilities in this entirety.

14. GENERAL FUND

	2020 <i>HK\$</i>	2019 <i>HK\$</i>
Balance at beginning of year	21,846,143	21,889,386
Adjustment upon application of HKFRS16	--	(57,271)
Surplus for the year	494,634	444,078
Transfer to Astor, Chu and Chee fund	(2,900)	(7,800)
Transfer to development fund	(29,600)	(422,250)
	<u>22,308,277</u>	<u>21,846,143</u>
Balance at end of year		

15. DEVELOPMENT FUND

	2020 <i>HK\$</i>	2019 <i>HK\$</i>
Balance at beginning of year	3,482,469	3,060,219
Transfer from general fund	29,600	422,250
	<u>3,512,069</u>	<u>3,482,469</u>
Balance at end of year		

CHRISTIAN SAINTS' ASSEMBLY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

16. ASTOR, CHU AND CHEE FUND

	2020	2019
	<i>HK\$</i>	<i>HK\$</i>
Balance at beginning of year	191,627	183,827
Transfer from general fund	<u>2,900</u>	<u>7,800</u>
Balance at end of year	<u><u>194,527</u></u>	<u><u>191,627</u></u>

17. SHARE CAPITAL

The Charity was incorporated by guarantee with limited liability and without a share capital. In accordance with the Memorandum of the Charity, the liability of each member is limited to HK\$10.

18. FINANCIAL RISK MANAGEMENT

The Charity is exposed to various kinds of risks in its operation and financial instruments. The Charity's risk management objectives and policies mainly focus on minimising the potential adverse effects of these risks on the Charity by closely monitoring the individual exposure as follows:

a. Market risk

i. Currency risk

The Charity seldom involves in purchasing and selling of foreign currencies that exposes it to foreign currency risk arising from fund raising and, income from various workshops and activities. The exposure currency risk is considered not significant.

ii Fair value interest rate risk

The Charity's exposure on fair value interest rate risk mainly arises from its savings deposits with banks and cash and cash equivalents and the exposure of which is considered not significant.

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18. FINANCIAL RISK MANAGEMENT (CONTINUED)

b. Liquidity risk

The Charity manages its funds conservatively by maintaining a comfortable level of cash and cash equivalents in order to meet continuous operational need.

The table below summaries the maturity profile of the Charity's financial liabilities at 31 December based on contractual undiscounted payments including interest payments computed using contractual rates or, if floating, based on rates current at the reporting date.

As at 31 December 2020	On demand HK\$	Less than 3 months HK\$	3 to 12 months HK\$	1 to 5 years HK\$	Over 5 years HK\$	Total HK\$
Accruals	174,323	--	--	--	--	174,323
Temporary receipts	22,300	--	--	--	--	22,300
Bank loan	--	120,945	362,835	1,935,120	5,563,512	7,982,412
Lease liability	--	125,962	403,820	231,040	--	760,822
	<u>196,623</u>	<u>246,907</u>	<u>766,655</u>	<u>2,166,160</u>	<u>5,563,512</u>	<u>8,939,857</u>

As at 31 December 2019	On demand HK\$	Less than 3 months HK\$	3 to 12 months HK\$	1 to 5 years HK\$	Over 5 years HK\$	Total HK\$
Accruals	756,895	--	--	--	--	756,895
Temporary receipts	7,000	--	--	--	--	7,000
Bank loan	--	120,945	362,835	1,935,120	6,047,292	8,466,192
Lease liability	--	159,156	106,664	--	--	265,820
	<u>763,895</u>	<u>280,101</u>	<u>469,499</u>	<u>1,935,120</u>	<u>6,047,292</u>	<u>9,495,907</u>

c. Capital Management

The Charity's objectives when managing capital are to safeguard the Charity's ability to continue as a going concern in order to spread the teaching of gospel and to maintain an optimal capital structure to reduce the cost of capital.

The Charity does not subject to externally imposed capital requirements.

The Charity manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Charity may adjust the dividend payment to shareholder, return capital to shareholders, issue new shares or sell assets to reduce debt. No changes in the objectives, policies or processes were made during the years ended 31 December 2020.

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19. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the reporting date are as follows:

<u>Financial assets</u>	2020 <i>HK\$</i>	2019 <i>HK\$</i>
Deposits	213,284	213,284
Other receivables	56,902	133,484
Cash and cash equivalents	<u>4,288,729</u>	<u>3,681,145</u>
Financial assets at amortised cost	<u><u>4,558,915</u></u>	<u><u>4,027,913</u></u>
<u>Financial liabilities</u>	2020 <i>HK\$</i>	2019 <i>HK\$</i>
Accruals and other payable	174,323	756,895
Temporary receipts	22,300	7,000
Bank loan	7,982,412	8,466,192
Lease liability	<u>760,822</u>	<u>265,820</u>
Financial liabilities at amortised cost	<u><u>8,939,857</u></u>	<u><u>9,495,907</u></u>